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OF COUNSEL
URBAN A. LESTER

December 27, 1996

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Partial Release of Amended and Restated Security Agreement, dated as of December 27, 1996, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Amended and Restated Security Agreement was previously filed with the Board under Recordation Number

19932

The names and addresses of the parties to the enclosed document are:

Secured Party: The First National Bank of Boston,
as Agent
100 Federal Street
Boston, Massachusetts 02110

A description of the railroad equipment covered by the enclosed documents is set forth on Schedule A attached thereto.

Mr. Vernon A. Williams
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Also enclosed is a check in the amount of \$22.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures

19432 A
1996

**PARTIAL RELEASE OF
AMENDED AND RESTATED SECURITY AGREEMENT**

Dated as of February 8, 1996

WHEREAS, ILLINOIS & MIDLAND RAILROAD, INC. (the "Company") and THE FIRST NATIONAL BANK OF BOSTON, as agent (the "Agent") for itself and those banks (the "Banks") which are or may become parties to that certain Amended and Restated Revolving Credit and Term Loan Agreement dated as of February 8, 1996 ("Credit Agreement"), are parties to that certain Amended and Restated Security Agreement dated as of February 8, 1996 (the "Security Agreement")

STB
COPY

WHEREAS, the Agent has agreed to release the lien of with respect to certain Rolling Stock listed on Schedule A attached

NOW, THEREFORE, in consideration of the foregoing premises, the Agent agrees as follows:

The lien created by the Security Agreement on the Rolling Stock listed on Schedule A attached hereto is hereby released. This Partial Release shall not affect the lien created by the Security Agreement on any Rolling Stock or other assets not listed on Schedule A attached hereto. The Agent hereby reaffirms the lien on all other Rolling Stock and assets not listed on Schedule A attached hereto. Capitalized terms which are used herein without definition and which are defined in the Security Agreement shall have the same meanings herein as in the Security Agreement.

IN WITNESS WHEREOF, the Agent has caused this Partial Release to be executed by its duly authorized officer as of the 27 day of December, 1996.

**THE FIRST NATIONAL BANK
OF BOSTON, as Agent**

By: _____

Paul G. Feloney, Vice President

Schedule A

List of Rolling Stock
to be Released
(Illinois & Midland Railroad, Inc.)

Locomotive Type:

Road. No.:

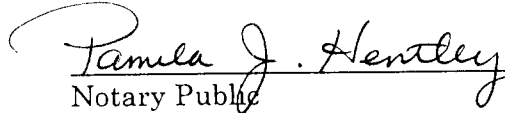
SW1500

I&MRR2595

I&MRR2653

Commonwealth of Massachusetts) ss.
County of Suffolk)

On this 23rd day of December, 1996, before me personally appeared Paul G. Feloney, to me personally known, who, being by me duly sworn, says that he is Vice President of The First National Bank of Boston, and that he is duly authorized to sign the foregoing instrument on behalf of said banking association, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said banking association.


Notary Public

My commission expires:

PAMELA J. HENTLEY, Notary Public
My Commission Expires June 21, 2002